



0000151380

RECEIVED

2014 FEB 25 P 3:47

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Federal and State Compliance

Mail Station 9704

PO Box 53999

Phoenix, Arizona 85072-3999

Tel 602-250-5671

Elisa.Malagon@aps.com

February 25, 2014

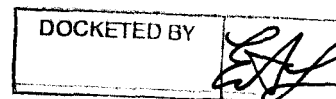
ORIGINAL

Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

FEB 25 2014

RE: Quarterly Report on Transfers of Utility Property
Docket No. E-01345A-06-0770, Decision No. 69670



Dear Mr. Olea:

Pursuant to Decision No. 69670:

The Company shall file in Docket control, quarterly reports summarizing each transfer, sale, mortgage, lease, or assignment entered into pursuant to this order and further shall state how each transaction complies with condition/limitation. This reporting requirement shall be met by continuing the reporting currently being submitted by APS in compliance with Decision No. 60481, as amended by Decision No. 61708, replacing and superseding that requirement, and increasing the frequency of the report to quarterly.

Arizona Public Service Company submits its quarterly report summarizing transfers, sales, mortgages, leases or assignments entered into from October 1, 2013 through December 31, 2013. This report reflects the balance of these transactions, including accrued interest through December 31, 2013.

If you have any questions regarding this information, please contact Greg Bernosky at (602)250-4849.

Sincerely,


Lisa Malagon

LM/cd
Attachment

cc: Brian Bozzo
Terri Ford
Docket Control

ARIZONA PUBLIC SERVICE COMPANY
CALCULATION OF NET GAINS ON UTILITY PROPERTY
As of December 31, 2013

SALES TRANSACTION DATE	PROPERTY DESCRIPTION	SALES PRICE	OCLD	BOOK GAIN/(LOSS) ON SALE	TAX BASIS OF PROPERTIES	TAXES (1,2)	NET GAIN/(LOSS) (3)	AMOUNT ALLOCATED TO CUSTOMERS (4)	INTEREST TO DATE (5)	CUSTOMER BALANCE
	Account Balance at the end of September 2013									(\$4,194)
	Interest on Account Balance for the Fourth Quarter 2013									(\$3)
	Total Transactions in Fourth Quarter 2013									\$0
	Total Account Balance as of December 2013									(\$4,197)

(1) [(Sales Price less Tax Basis)*Tax Rate]-[(ADIT Net Book Basis-Tax Basis)* Tax Rate]

(2) APS Composite Income Tax Rate: 2012 = 39.51%; 2013 = 39.51%

(3) Jurisdictional allocation of Net Gain

(4) Amount Allocated for Customers based on 50% of jurisdictional split.

(5) Interest from Date of Transfer through End Date

These transactions do not have a negative impact on the safety, quality, reliability, or economy of an APS customer's electric service per Arizona Corporation Commission Decision No. 89670.

SUMMARY OF TRANSACTIONS
Fourth Quarter 2013

In November 2013, APS sold 12.2 Acres of excess substation land to Elwood Logistics Center, LLC. This land was listed as non-utility and as such is excluded from the account balance.

In December 2013, Palo Verde donated a back-up fire truck to the Tonopah Valley Fire District. APS has excluded the small loss on this transaction from the report because it was more in the nature of a charitable donation than a sale, and APS does not and will not seek any rate recovery.